HLIT Harmonic, Inc. Nasdaq GM
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Technology / Telecom Equipment
Friday 5-Nov-2021
Open: 10.87
High: 11.01
Low: 10.69
Prev Close: 10.77
Ask:
Ask Size:
Bid:
Bid Size:
P/E: 170.21
EPS: 0.06
Mkt Cap: 1.10B
Last Size:
Options: yes
Annual Dividend: N/A
Yield: N/A
SCTR (Small): 93.7
-0.28%
Chg: -0.03
Last: 10.74
Volume: 876,539
RSI(14) 73.70
Many traders who practice traditional technical analysis consider break under 50 MA as sign of change in trend
50 MA
200 MA
10 17 24 Jun 7 14 21 28 Jul 6 12 19 26 Aug 9 16 23 30 Sep 7 13 20 27 Oct 11 18 25 Nov

Lower support (*"safety net"*): EMA 89

Now we can fine tune rules of our first strategy:
We look for a stock that recently hit 60 day new higher high and then pulled back to the demand channel formed by ***upward sloped*** *50 MA and 89 EMA*

Even if a pullback overshoots support of 50 MA then price finds stronger support at the safety net of 89 EMA

Takeaways

- We can add 89 day Exponential Moving Average to create a Demand Channel capable of catching even strong pullback.
The Demand Channel is formed by Simple Moving Average with period 50 and Exponential Moving Average with a period of 89

Checklist for the long setup

- ☑ The strength of the rally was confirmed by (i) new higher highs for the last 60 days, (ii) RSI overshooting the upper threshold at 68 level and (iii) MA50 that changed the slope up
- ☑ Price declined into support of the Green Demand channel and RSI held over support level at 40 and confirmed that the move down was corrective rather tand a strong trending move that would overshot the lower threshold at 32
- ☑ Bears were unable to push price under the Green Demand channel
- ☑ We should prefer to buy pullbacks **that are comprised of three moves a down, bup and c down** and/or shaped as a **wedge, flag or pennant**

TV Indicator CAT Trade with the Trend

*The stock made 60 day new higher high and then pulled back to the demand channel formed by **upward sloped** 50 MA and 89 EMA*

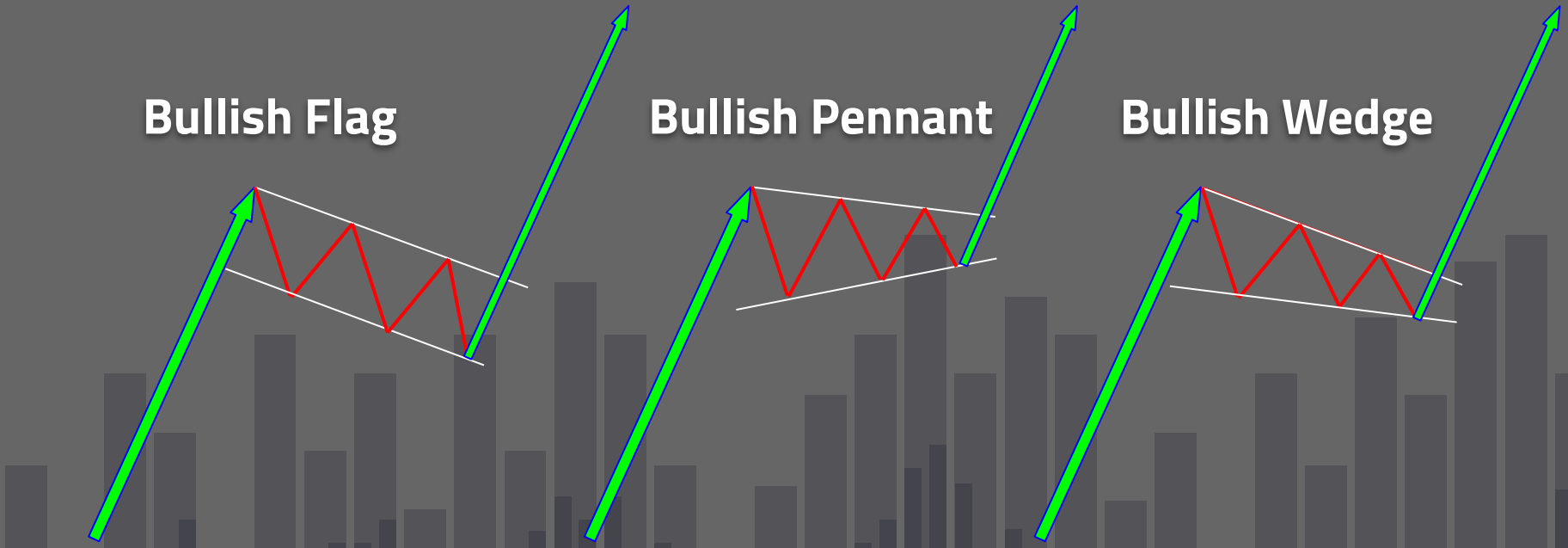
Checklist for the long setup "Champions"

- ☑ The strength of the rally was confirmed by (i) new higher highs for the last ~~60~~ **250** days, (ii) RSI overshooting the upper threshold at 68 level and (iii) MA50 that changed the slope up
- ☑ Price declined into support of the Green Demand channel and RSI held over support level at 40 and confirmed that the move down was corrective rather tand a strong trending move that would overshot the lower threshold at 32
- ☑ Bears were unable to push price under the Green Demand channel
- ☑ We should prefer to buy pullbacks **that are comprised of three moves a down, bup and c down** and/or shaped as a **wedge, flag or pennant**

TV Indicator CAT Trade with the Trend

The pullback into support of the Green Demand Channel was shaped as a bullish flag

Corrective Patterns



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TV Indicator CAT Trade with the Trend

RSI held over support level at 40 and confirmed that the move down was a corrective pullback

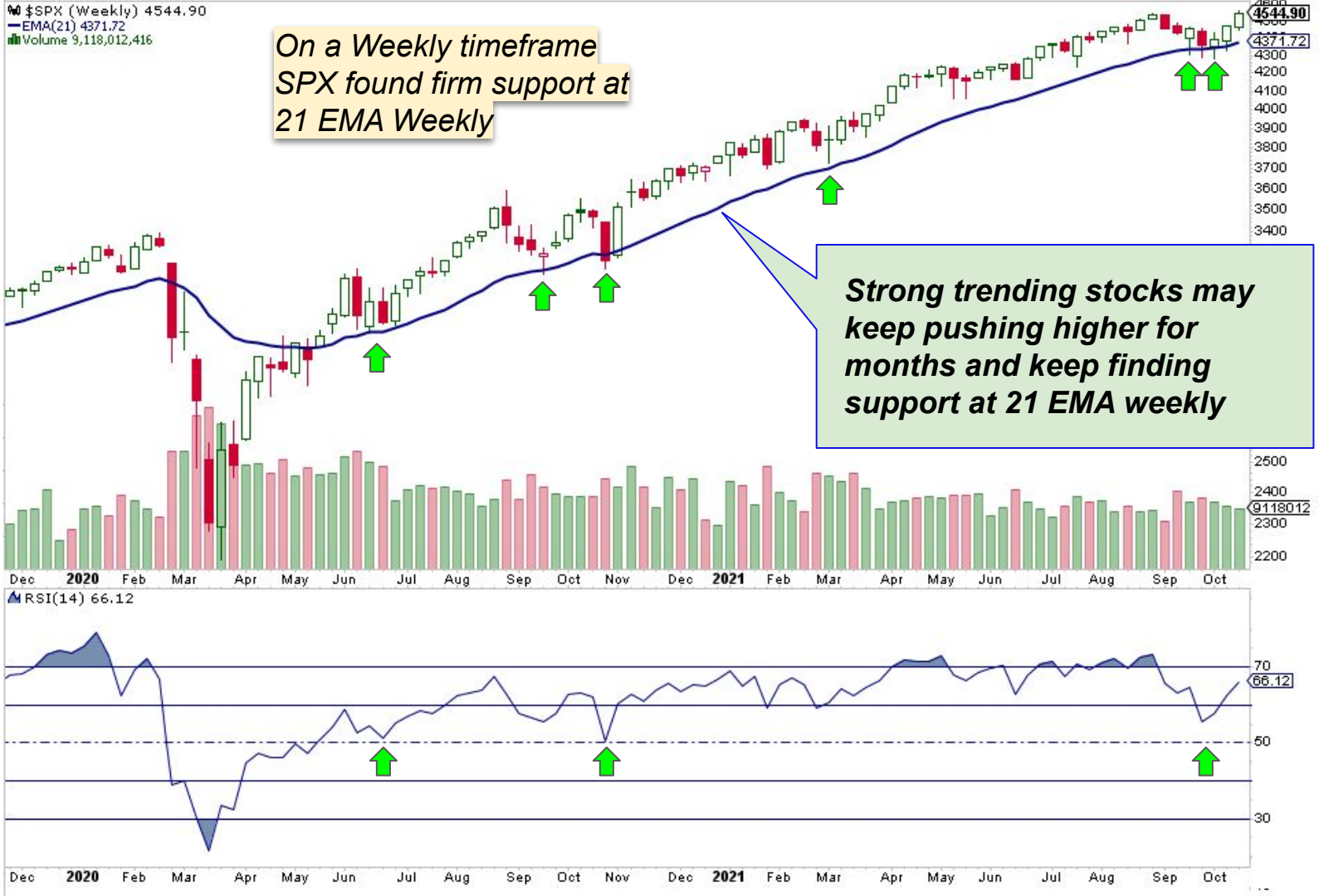
Checklist for the long setup "Champions"

The stock made ~~60~~ 250 day new higher high and then
pulled back to the demand channel formed by ***upward sloped*** *50 MA and 89 EMA*

HLIT, Daily chart, Jun 2020 - Oct 2021

Checklist for the long setup "Marathoners"

- ☑ The strength of the rally was confirmed by (i) new higher highs for the last 20 weeks, (ii) RSI overshooting the upper threshold at 68 level and (iii) MA50 that changed the slope up
- ☑ Price declined into support of the Green Demand channel and RSI held over support level at 40 and confirmed that the move down was corrective rather tand a strong trending move that would overshot the lower threshold at 32
- ☑ Bears were unable to push price under support of 21 Exponential Moving Average on a weekly timeframe
- ☑ We should prefer to buy pullbacks **that are comprised of three moves a down, bup and c down** and/or shaped as a **wedge, flag or pennant**


$SPX (Weekly) 4544.90
EMA(21) 4371.72
Volume 9,118,012,416
On a Weekly timeframe SPX found firm support at 21 EMA Weekly
Strong trending stocks may keep pushing higher for months and keep finding support at 21 EMA weekly
4544.90
4371.72
9118012
RSI(14) 66.12
66.12
70
50
30
Dec 2020 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2021 Feb Mar Apr May Jun Jul Aug Sep Oct

TV Indicator CAT Trade with the Trend

Our TradingView Indicator allows us to quickly check if that setup can pass the test for the scan "Marathoners"

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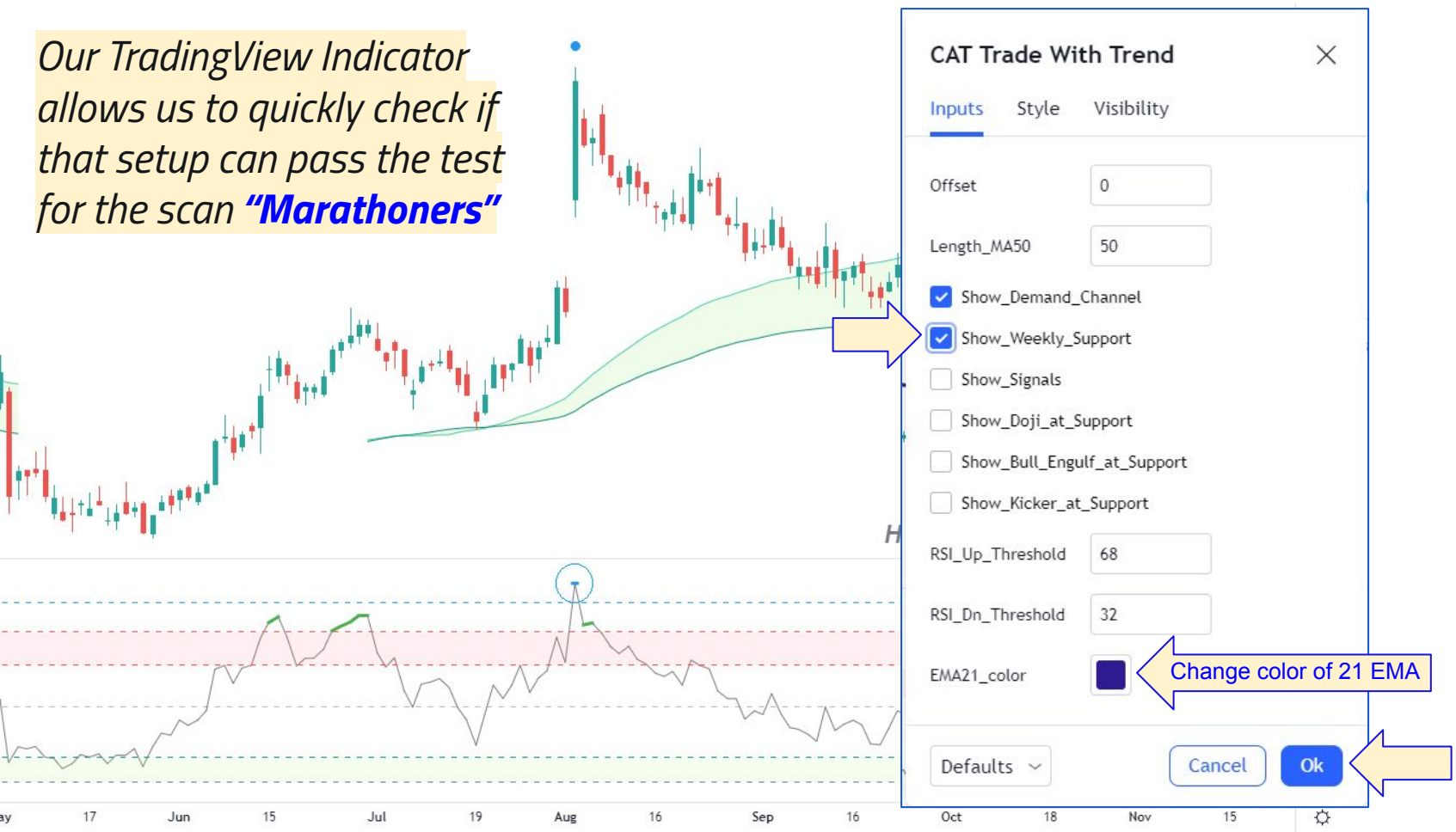

TV Indicator CAT Trade with the Trend

*Our TradingView Indicator allows us to quickly check if that setup can pass the test for the scan **"Marathoners"***

Dark Blue line is Weekly 21 EMA

Strong trending stocks may keep pushing higher for months and keep finding support at 21 EMA Weekly

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Our TradingView Indicator allows us to quickly check if that setup can pass the test for the scan ***"Marathoners"***

Sale of the position at the test of the supply zone would book **22% gain**

Strong trending stocks may keep pushing higher for months and keep finding support at 21 EMA Weekly

Takeaways

- The best winning setups have to meet requirements of boths scans, the Champions and the Marathoners

- Out TradingView Indicator “CAT Trade with Trend” allows us to quickly check if a setup passes requirements for each type of a setup